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C O N F I D E N T I A L SECTION 01 OF 03 JAKARTA 001400

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DEPT FOR EAP, EAP/MTS, EAP/MLS, EAP/RSP, EAP/ANP NSC FOR D.WALTON

E.O. 12958: DECL: 08/24/2019 TAGS: <u>PGOV PINS EMIN ASEC ID</u>

SUBJECT: PAPUA -- SHOOTINGS CONTINUE NEAR U.S. MINING

OPERATION

REF: JAKARTA 1244 AND PREVIOUS

Classified By: Acting Pol/C Daniel A. Rochman, reasons 1.4 (b+d).

(C) SUMMARY: Unidentified assailants fired on vehicles belonging to U.S. mining company Freeport-McMoRan in Indonesia's restive Papua province in several recent incidents. Five Freeport employees, all Indonesian nationals, were injured. A coalition of pro-independence groups claimed responsibility for the series of shootings, but security officials said this could not be confirmed. military and police have stepped up security arrangements around the Freeport mine and government officials continue to blame separatist groups. However, the authorities have not yet charged anyone in connection with the attacks. Police and military officials have pledged to respect human rights as they pursue suspects in the attacks. Absent reliable information about the shootings, conspiracy theories -- the more sensational the better--are getting wide circulation. In other parts of Papua, pro-separatist groups raised the Morning Star Flag, which the Indonesian government has banned, to coincide with Indonesia's August 17 independence day. Government officials condemned the flag raisings and have arrested seven people suspected of involvement. SUMMARY

MORE SHOOTINGS

- 12. (SBU) Shootings continue near Timika a town in eastern Indonesia's Papua province and the base of operations for U.S. mining giant Freeport-McMoRan. On Saturday, August 22, unidentified assailants shot at a convoy of Freeport vehicles traveling from Timika to the mine. There were no injuries. In a Sunday, August 16, incident near the same location, the attackers left five Freeport Indonesian employees slightly wounded from glass shards. These are the latest in a series of attacks on the company's operations that began on July 11 (see reftel). Security officials responded to the latest incidents but have made no new arrests. Police continue to question eight individuals arrested in late July but have not brought charges against any of them. Freeport officials have again closed the road that has been the site of the attacks in response to this latest incident.
- 13. (C) Freeport officials told us that the series of attacks could soon hurt the company's operations. The road, which has been closed or restricted to essential traffic since the attacks began, is the only way to supply Freeport's remote gold, copper and silver mining operation. (Note: The mine is located approximately 74 miles from the coast at 14,000 feet above sea level.) With over 10,000 employees and family members housed near the mine and a twenty-four hour a day operation, Freeport is steadily exhausting its stores of supplies and equipment. Freeport officials told us that they are not in imminent danger of having to suspend operations.

However, unless Freeport can resume road shipments from its coastal port site to the mine, company officials will be forced to look at ways of scaling back operations. Reducing the number of personnel at the mine is not an option so long as they cannot be transported safely.

- ¶4. (C) Freeport has been frustrated with the security forces' initially slow response to the incidents. Company executives told poloff that most of the security posts the company has built along the road remained unmanned by police for weeks after the attacks began. The police unit responsible for securing the area—the Mobile Brigade—has not been trained or equipped to conduct operations in the dense jungle that surrounds the mine. While the police have requested military assistance and military personnel are on the scene, coordination between the two forces has been poor.
- 15. (C) Senior company executives pressed GOI officials for a more robust security response during meetings on August 20 and 21. The result was agreement on a new two-tiered security structure for the Freeport road. The police Mobile Brigade would retain primary responsibility for patrolling the road leading to the mine. The military would take responsibility for securing a perimeter in the jungle that surrounds the road. The company is still working out the details of the arrangement with GOI officials and no final decisions have been made about how long this arrangement will last or what support Freeport will be required to provide. Company officials cautioned that it might be some time before the new security arrangement is in place.

ONE CLAIM OF RESPONSIBILITY

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16. (SBU) Papuan media outlets reported that the West Papua National Committee (KNPB)—a loose coalition of pro-independence groups—had claimed responsibility for the shootings. KNPB General Secretary Demus Wenda said the group would continue the attacks until the Indonesian government agreed to their demand for a referendum on Papua's status. He also claimed that Kelly Kwalik—a well—known separatist guerrilla leader in the Timika area—was in command of the operation. (Note: Kwalik ordered a 2002 attack in the same area that killed two Americans and one Indonesian. While the individuals who carried out that attack have been tried and sentenced to prison in Indonesia Kwalik remains at large.) Police officials cautioned that they could neither verify the authenticity of the KNPB claim nor confirm the group's involvement in the attacks.

EXPLANATIONS ABOUND, FACTS ARE FEW

- 17. (C) In the absence of reliable information about who is behind the attacks, conspiracy theories abound. Some Papuan NGOs have charged that elements within the Indonesian military have orchestrated the attacks in order to force their way into providing security to Freeport. This, the groups claim, will allow the military to receive payments that Freeport makes to support security operations, which the police currently handle. (Note: Freeport pays for some costs associated with its security, most of which is made in kind. Company officials assured us that all security-related payments are made in accordance with the provisions of the Foreign Corrupt Practices Act.) However, there is no evidence to substantiate this claim.
- 18. (C) Several American executives told econoff they suspect Indonesian business and political interests are behind the attacks. They claim the shootings aim to force Freeport to divest some portion of its shares to local officials and politically well-connected business men. This explanation lacks any corroborating evidence. Beyond that, operations at Freeport's Grasberg mine are privately held by Freeport McMoRan, the Indonesian government, and Rio Tinto, so it is unclear how the shootings would enable a corporate takeover.

- 19. (C) Most Indonesian government officials continue to point the finger at Papuan separatist groups. Agus Sumule, a key advisor to Papuan Governor Barnabas Suebu told poloff that the governor and his advisors believed separatist groups were behind the attacks. He speculated some Papuans who had previously been members of the Indonesian military may have been involved in the attacks given the relatively high level of tactical skills that the attackers seem to possess. Sumule noted that the governor had been coordinating closely with police and military on the incidents and that all officials involved share this assessment. While the authorities have not yet made public any evidence regarding the attacks Sumule noted that the police have intercepted cell phone calls that purportedly substantiate the involvement of separatist groups.
- 110. (C) Military spokesman Brig General Christian Zebua told reporters that separatist groups organized the attacks in an effort to provoke a harsh military response. Military and police officials promised to respect human rights as they pursue those responsible for the incidents. Human rights contacts have told us that so far the security forces do seem to be behaving appropriately. For example, the police did not begin questioning individuals arrested in connection with the incidents until they had access to legal counsel.

FLAG RAISINGS MARK "INDEPENDENCE DAY"

111. (C) Another sign of the overall tension in Papua came when separatist groups organized a number of demonstrations to mark Indonesia's August 17 independence day. Many of these demonstrations involved raising the Morning Star Flag, which the Indonesian government has banned as a separatist symbol. Several hundred students participated in a peaceful flag raising protest on the campus of Cenderwasih University on the outskirts of provincial capital Jayapura. Military and police officials condemned the flag raisings and promised to take action against those responsible. On August 21, police raided several houses in Jayapura in connection with several flag raising incidents and confiscated several flags, separatist literature and traditional weapons. The police arrested seven people in the raid although none have yet been charged.

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